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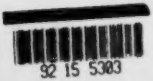
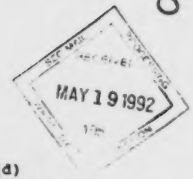


SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q



QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES AND EXCHANGE ACT OF 1934

92-2231

For Quarter ended March 31, 1992 — Commission File Number 0-14665

DAILY JOURNAL CORPORATION
(Exact name of registrant as specified in its charter

South Carolina
(State or other jurisdiction of incorporation or organization)

95-4133299
(I.R.S. Employer Identification No.)

South Grand Ave., 34th floor
Los Angeles, California
(Address of principal executive office)

90071-1560
(Zip code)

Registrant's telephone number, including area code: (213) 624-7715

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes: X. No:

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class	Outstanding at March 31, 1992
Common Stock, par value $ .01 per share	1,735,274 shares

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DAILY JOURNAL CORPORATION

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PART 1
Item 1. Financial Statements
DAILY JOURNAL CORPORATION
CONSOLIDATED BALANCE SHEET

	March 31, 1992 (unaudited)	September 30, 1991 (audited)
ASSETS		
Current assets:		
Cash, including money market accounts	$ 934,601	$ 1,476,087
Accounts receivable, less allowance for doubtful accounts of $800,000 and $750,000	4,790,704	5,180,138
Inventories	154,897	292,926
Prepaid expenses and other assets	624,779	706,575
Total current assets	6,504,981	7,655,726
Property, plant and equipment, at cost:		
Land, buildings and improvements	6,638,196	6,839,406
Furniture and fixtures	5,170,255	4,763,996
Machinery and equipment	1,434,360	1,428,678
	13,242,811	13,032,080
Less accumulated depreciation	(3,730,042)	(3,106,898)
	9,512,769	9,925,182
Deferred tax benefits	130,701	139,921
Intangible assets, at cost, less accumulated amortization of $535,000 and $1,755,000	808,170	935,035
	$16,956,621	$18,655,864
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,175,411	$ 3,282,927
Accrued liabilities, including current portion of management fee payable of $50,000	2,049,180	1,979,067
Notes payable	722,276	4,468,133
Income taxes payable	236,353	307,573
Deferred subscription revenue	4,970,129	4,843,488
Total current liabilities	10,153,349	14,881,188
Management termination fee payable	107,500	125,000
Notes payable	3,189,049	212,335
Shareholders' equity:		
Preferred stock, no par value, 5,000,000 shares authorized and no shares issued	-	-
Common stock, $.01 par value, 5,000,000 shares authorized; 1,735,274 shares and 1,739,387 shares, respectively, outstanding	17,353	17,394
Other paid-in capital	2,205,858	2,211,086
Retained earnings	1,460,284	1,329,605
Less 14,160 and 9,288 treasury shares, at cost, respectively	(176,772)	(120,744)
Total shareholders' equity	3,506,723	3,437,341
	$16,956,621	$18,655,864

See accompanying notes to consolidated financial statements.

DAILY JOURNAL CORPORATION
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

	Three months ended March 31	
	1992	1991
Revenues:		
Advertising	$4,321,889	$4,154,379
Circulation	2,263,847	1,889,887
Advertising service fees and other	1,170,676	939,594
	7,756,412	6,983,860
Costs and expenses:		
Salaries and employee benefits	3,325,123	3,335,122
Newsprint and printing expenses	966,442	943,190
Postage and delivery expenses	649,155	625,186
Commissions and other outside services	861,460	844,135
Depreciation and amortization	390,354	441,849
Other, including interest expenses	1,269,070	1,170,980
	7,461,604	7,360,462
Income (loss) before taxes	294,808	(376,602)
Provision (benefit) for income taxes	135,000	(170,000)
Net income (loss)	$ 159,808	$ (206,602)
Weighted average number of common shares outstanding	1,721,134	1,730,099
Net income (loss) per share	$ .09	$ (.12)

See accompanying notes to consolidated financial statements.

DAILY JOURNAL CORPORATION
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

	Six months ended March 31	
	1992	1991
Revenues:		
Advertising	$ 8,141,535	$ 8,018,222
Circulation	4,384,482	3,925,603
Advertising service fees and other	2,180,705	1,904,104
	14,706,722	13,847,929
Costs and expenses:		
Salaries and employee benefits	6,567,796	6,663,680
Newsprint and printing expenses	1,880,881	1,838,911
Postage and delivery expenses	1,245,673	1,156,492
Commissions and other outside services	1,631,272	1,573,955
Depreciation and amortization	770,349	872,407
Other, including interest expenses	2,291,255	2,158,306
	14,387,226	14,263,751
Income (loss) before taxes	319,496	(415,822)
Provision (benefit) for income taxes	145,000	(190,000)
Net income (loss)	$ 174,496	$ (225,822)
Weighted average number of common shares outstanding	1,722,643	1,733,969
Net income (loss) per share	$ .10	$ (.13)

See accompanying notes to consolidated financial statements.

DAILY JOURNAL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Six months ended March 31	
	1992	1991
Cash flows from operating activities:		
Net income (loss)	$ 174,496	$ (225,822)
Adjustments to reconcile net income (loss) to net cash:		
Depreciation and amortization	770,349	872,407
Deferred income taxes	9,220	9,220
Gain on sale of capital assets	(71,673)	-
Changes in assets and liabilities:		
(Increase) decrease in current assets		
Accounts receivable, net	389,434	706,021
Inventories	138,029	310,907
Prepaid expenses and other assets	81,796	(18,350)
Increase (decrease) in current liabilities		
Accounts payable	(1,107,516)	(1,986,494)
Accrued liabilities	70,113	(279,869)
Income taxes payable	(71,220)	(518,981)
Deferred subscription revenue	126,641	371,434
Cash provided by (used for) operating activities	509,669	(759,527)
Cash flows from investing activities:		
Capital expenditures	(417,232)	(562,319)
Proceeds from sale of capital assets, net	257,834	-
Cash used for investing activities	(159,398)	(562,319)
Cash flows from financing activities:		
Net short-term bank borrowings	-	1,589,477
Principal payments under management termination fee obligation and notes payable	(786,643)	(196,678)
Purchase of treasury and common stock	(105,114)	(156,057)
Cash provided by (used for) financing activities	(891,757)	1,236,742
Decrease in cash and cash equivalents	(541,486)	(85,104)
Cash and cash equivalents:		
Beginning of year	1,476,087	209,977
End of period	$ 934,601	$ 124,873
Interest paid during period	$ 196,666	$ 238,642
Income taxes paid during period	$ 207,000	,325,000

See accompanying notes to consolidated financial statements.

DAILY JOURNAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 - The Corporation and Operations:

The Daily Journal Corporation is primarily a gatherer and distributor of information through its publications and specialized information services. California Newspaper Service Bureau, Inc., a wholly owned and consolidated subsidiary since it was acquired in April 1990, is a newspaper representative specializing in public notice advertising. Essentially all of the Company's operations are based in California.

Note 2 - Basis of Presentation

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly its financial position as of March 31, 1992 and September 30, 1991, the results of operations for the three- and six-month periods ended March 31, 1992 and 1991 and its cash flows for the six months ended March 31, 1992 and 1991.

The results of operations for the six months ended March 31, 1992 and 1991 are not necessarily indicative of the results to be expected for the full year.

The consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1991.

Note 3 - Notes Payable

The Company converted all the indebtedness to the bank used to finance the Los Angeles facilities amounting to $3,725,000 to a term loan, repayable in equal monthly installments over seven years, bearing interest at the prime rate plus one percentage point. The term loan is secured by all assets except real estate. The assets pledged include accounts receivable now over $4,500,000. The new term loan prohibits dividends but may be repaid at any time without penalty. The Company has a $500,000 revolving line of credit which was not used at March 31, 1992.

DAILY JOURNAL CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

Results of Operations

Revenues were $14,707,000 and $13,848,000 for the six months ended March 31, 1992 and 1991, respectively. This increase of 6% is primarily attributable to subscription rate increases. One of the Company's important revenue sources is help-wanted advertising which is sensitive to the general business levels and under pressure throughout the newspaper industry at this time. During the six months ended March 31, 1992 classified advertising revenues, despite rate increases, declined approximately $143,000, but this was offset by increased legal advertising revenues and advertising service fees.

Costs and expenses increased to $14,387,000 from $14,264,000. Personnel costs decreased due to fewer employees partially offset by normal salary adjustments. Advertising agency commissions increased because of additional agency sales. Other outside services increased primarily due to additional utilization of contract personnel. Postage costs increased because of the postal rate increase. The decrease in depreciation and amortization costs is primarily due to the full amortization of the legal notice licenses for two recently acquired newspapers partially offset by the increase in depreciation expense due to additional fixed assets. The increase in other expenses included additional facility and related costs in Los Angeles and San Francisco.

Net income was $174,000 compared to a net loss of $226,000 for the six months ended March 31, 1992 and 1991, respectively.

Liquidity and Capital Resources

During the six months ended March 31, 1992, the Company's cash position decreased by $541,000. The reduction of notes payable and the purchase of furniture, equipment and treasury and common stock exceeded the cash flow from operating activities of $510,000 which included a net increase in prepayments for subscriptions of $127,000. Proceeds from the sale of subscriptions from newspapers, court rule books and other publications are booked as deferred subscription revenue and are included in earned revenue only over the duration of the subscriptions. As of March 31, 1992, the Company had a working capital of $1,322,000 before deducting the liability for deferred subscription revenues of $4,970,000 which will be earned within one year.

The new office and printing facility in Los Angeles was completed in October 1990 at a cost of approximately $8.5 million including new presses and other production equipment, office furniture and equipment and computer equipment. On December 31, 1991, the Company converted all the indebtedness to the bank used to finance the Los Angeles facilities amounting to $3,725,000 to a term loan, repayable in equal monthly installments over seven years, bearing interest at the prime rate plus one percentage point. The term loan is secured by all assets except real estate. The assets pledged include accounts receivable now over $4,500,000. The new term loan prohibits dividends but may be repaid at any time without penalty. The Company has a $500,000 revolving line of credit which was not used at March 31, 1992.

In January 1992 the Company sold for $275,000 the real property acquired along with the Orange County Reporter and paid the collateral note of $205,000.

DAILY JOURNAL CORPORATION

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K:

(A) Exhibits - none

(B) Reports on Form 8-K - None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DAILY JOURNAL CORPORATION
(Registrant)

Gerald L. Salzman
Chief Financial Officer

DATE: May 12, 1992